

The European Business Registry Association (EBRA), together with our peer organizations International Association of Commercial Administrators (IACA), Corporate Registers Forum (CRF) and ASORLAC, sought member feedback on the impact of the COVID-19 Pandemic on business registries. The response period was open from 8 March to 16 April 2021. We hereby present the received responses from our member jurisdictions.

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COVID-19 in your country

The first confirmed case of COVID-19 was reported in the Republic of Serbia on 16 March 2020.

On 13 March the Government established a high-level COVID-19 Crisis Response Team, led by the Prime Minister, aimed at ensuring timely and coordinated activities of the competent state authorities, organisations and services.

On 15 March the Government adopted the Decision Declaring the State of Emergency (Official Gazette of the RS, No. 29/20), effective as of 16 March.

On 16 March the Government enacted the Decree on Organization of Work during the State of Emergency (Official Gazette of the RS, No. 31/20), obliging employers to organize work outside the employer's premises wherever it was possible.

All service windows of public institutions in the Republic of Serbia, including the Serbian Business Registers Agency, were closed for the public based on the Conclusion passed by the Government on 18 March (Official Gazette of the RS, No. 35). The measure did not apply to those bodies where closure would jeopardize the operation of the Government in times of emergency (the Tax Administration, the Customs Administration, and the Treasury Administration), as well as the public enterprises Electric Power Industry of Serbia and Post of Serbia.

On 20 March, all border crossings were closed for international air, road, and railway or waterway traffic. Exceptionally, authorisation was granted for reasons of humanitarian and national interest. Restrictive measures did not apply to the transport of goods, medicines and medical equipment.

The "Stay at Home" campaign was widely promoted on the internet and national TV channels.

Over the days and weeks that followed, widespread restrictions and containment measures were progressively introduced, including the strict curfew hours and ban on public gatherings. Outdoor and indoor gatherings were restricted so that the distance between people had to be at least two meters in both cases, and maximum capacity was limited to

one person per four square meters, while indoor occupancy was limited to no more than 5 people. All facilities involving close physical contact, except pharmacies and grocery stores, were closed. Intercity bus lines were suspended. Public transport emergency city lines were reserved only for medical staff and those who could not work remotely. Passenger cars, private transport operators, and taxis were allowed to operate.

All kindergartens, schools and universities were closed until the end of the semester. The entire education system switched to remote teaching and learning, affecting over 1.2 million children and young people across the country.

Price controls were imposed on staple foodstuffs, protective equipment and disinfectants, limiting price increases to the annual inflation rate and restricting purchases of protective equipment and disinfectants. An export ban on medicines was introduced, applying both to medications produced in Serbia and supplies warehoused in Serbia. Exports of flour, oil, semi-processed oil, whole sunflower seeds, sugar and sanitizers have been banned.

On 6 May the Serbian National Assembly adopted the Decision on the Abolition of the State of Emergency and the Law on the Validity of Decrees Passed by the Government with the Co-signature of the President of the Republic of Serbia during the State of Emergency (Official Gazette of the RS, No. 65/20). The restrictions on movement, as well as the large-scale restrictive public health measures, were lifted gradually.

In July, the Serbian government decided to build two large “COVID” hospitals (1,500 beds), designated for patients requiring intensive and semi-intensive care. Both hospitals were opened in December 2020.

Considering the COVID-19 preventing vaccines not a geopolitical but saving lives issue, the Serbian Government negotiated with different manufacturers, regardless of whether East or West. It reached its first vaccine deal, covering 2.2 million doses, with Pfizer in August 2020 and quickly followed up with contracts for millions more from Russia and China. In 2020, it also pledged €2.1 million for vaccine development and the establishment of the Covax Facility. So far, four vaccines have been approved in Serbia (Pfizer/BioNTech; Sinopharm/Beijing; Sputnik V; Oxford/AstraZeneca). The vaccination of medical staff started in December 2020, while the mass vaccination commenced on 19 January 2021. An electronic system records and tracks data along the entire vaccination process: from expressions of willingness to be vaccinated to the issuance of certificates following vaccination. As a result of its plentiful supplies, Serbia ranks among the top five countries in the world in terms of successful per million rate of vaccination of its citizens. According to the March 2021 data from the University of Oxford research group “Our World in Data”, Serbia was the best vaccinator in Europe, after the UK, administering 29.5 doses for every 100 people. Serbia donated vaccines to its neighbouring countries and became a regional vaccination hub, offering (periodically) free shots to the citizens of North Macedonia, Montenegro, and Bosnia and Herzegovina.

The Serbian Business Registers Agency organized a group vaccination of its employees who expressed their willingness to be vaccinated. The 2-dose immunization process of the SBRA staff was completed successfully by the end of February 2021.

Serbia's national vaccine producer (Institute of Virology, Vaccines and Sera - “Torlak”) has started manufacturing the Sputnik V vaccine (April 2021), while the production of the Sinopharm/Beijing vaccine is due to start in the fall.

Serbian economy had been relatively stabilized since 2014, thanks to which Serbia was in a relatively strong position entering the pandemic. It has been the country least affected by the coronavirus crisis in the Western Balkans and Southeast Europe, mainly due to the lower dependence of the economy on the tourism industry.

The assessments of the COVID-19 impact on the Serbian economy show that smaller companies have been affected the most, but they are also more agile to adapt their business model or products to the new situation. The highest resilience in the economy has been demonstrated by medium-sized companies. On the other hand, large companies have had capacities, structure and resources, but they are suffering from being rigid and slow to adapt as quickly to the rapidly changing environment of the crisis.

The most heavily impacted sectors are those most restricted by the lockdown, i.e. businesses related to travel, hospitality, transport, entertainment and recreation. Cultural and creative industries are also badly affected, particularly those dependent on indoor gatherings, live performances and cultural tourism. The most highly affected sectors are those more integrated into the global supply chain, such as the automotive and textile industries. The least affected sectors are food producers and food retail, as well as professional service businesses.

To mitigate the impact of the pandemic, Serbia's Government put forward the largest economic stimulus in the Western Balkans, amounting to €5.1 billion (totaling some 3.7% of GDP in net terms). It comprised three comprehensive packages of emergency measures (monetary, fiscal and banking). The first package, as in most European countries, was a combination of tax policy measures, direct payments and measures to maintain the liquidity of business entities, the second included tax policy measures and direct payments, while the third one was the sector package, focused only on companies operating in the field of tourism, i.e. hotels and travel agencies.

On 11 February 2021 the Government adopted the Programme on Direct Aid to Private Sector Entities to Mitigate the Economic Impact of COVID-19. Similar to the benefits provided in 2020, the new programme provides direct payments to private sector companies. The benefits may be generally used by all resident companies, including branches and representative offices of foreign companies. Unlike benefits that were provided under the 2020 packages, the benefits envisaged by the 2021 Programme are fully available to large companies as well. Benefits are also offered to sole traders and registered farmers.

The International Monetary Fund and the World Bank have rather optimistic forecasts for Serbia's economy in 2021.

Impact of COVID-19 on workload and operations

The number of submissions decreased during the state of emergency, which - more or less - coincided with the period when physical contacts with SBRA customers were suspended.

As regards the overall workload in 2020, we can confirm that it was reduced compared to 2019, especially during the state of emergency. However, this does not apply equally to all

the registers kept by the Agency, of which some recorded an increase in the number of registration applications (e.g. the Register of Business Entities).

The number of registration applications submitted to the SBRA's Register of Business Entities (which is in charge of registering sole traders, general partnerships, limited partnerships, limited liability companies, joint-stock companies, branches of foreign legal entities, representative offices of foreign legal entities, public enterprises, socially-owned enterprises, cooperatives, cooperative unions, business associations, and other) increased by 27.97% in 2020 compared to 2019:

No. of registration applications filed to the Register of Business Entities	2020				
	Q1	Q2	Q3	Q4	Total
Total	68,140	52,017	56,736	63,593	240,486

Table 1

At the same time, the number of other types of submissions received by the Register of Business Entities fell compared to 2019 (e.g. requests for extracts: -13.05%; requests for certificates: -11.02%).

Compared to 2019, a decline is observed in the number of registration applications received by other registers run by the SBRA: e.g. the Register of Financial Leasing (-15.23%); the Register of Pledges on Movable Property and Rights (-22.47%); the Register of Associations and Representative Offices of Foreign Associations (approx. -35%); the Register of Endowments and Foundations (approx. -30%); the Register of Sport Associations, Societies, and Federations (approx. -45%).

In some of the SBRA registers (e.g. the Register of Representative Offices of Foreign Endowments and Foundations), the number of registration applications received in 2020 was almost equal to 2019.

As to the types of registration applications in 2020, Table 2 and Table 3 outline the most frequent types of registration applications filed to the SBRA's Business Entities Register and Register of Pledges on Movable Property and Rights ("the secured transactions register"):

Most frequent types of registration applications filed to the Register of Business Entities	2020					
	Q1	Q2	Q3	Q4	Total	Share of Total
Change in data on sole trader	29,892	17,966	16,020	20,227	84,105	34.97%
Change in company data	15,201	15,129	14,794	15,950	61,074	25.40%
Registration of sole trader	7,188	8,310	9,208	9,353	34,059	14.16%

Table 2

The three types of registration applications presented in Table 2 accounted for 74.53% of all registration applications (240,486) submitted to the Register of Business Entities in 2020.

In 2020, like in 2019, applications for registration of changes in data on companies and sole traders were the most frequent types of registration applications. However, the number of these applications fell by 5.40% in 2020 (145,179) compared to 2019 (153,471).

Most frequent types of registration applications filed to the Pledge Register	2020	
	Total	Share of Total
Registration of a pledge right	10,106	63.68%
Strike off of a pledge right	3,719	23.43%
Changes and/or supplements to the registered data	1,926	12.14%
Total:	15,751	99.24%

Table 3

The three types of registration applications that were most frequently filed in 2020 accounted for 99.24% of all registration applications (15,871) submitted to the Register of Pledges on Movable Property and Rights in 2020. Obviously, the share of the two remaining types of registration applications that were filed to the Register, i.e. applications for registration of an annotation, and applications for deletion of an annotation, was quite insignificant in 2020, accounting for 0.72% (217) and 0.04% (8), respectively.

In 2020, like in 2019, applications for registration and strike off of pledge rights, as well as applications for registration of changes and/or supplements to the registered data, were filed most frequently. However, the number of these applications fell in 2020 (15,751) compared to 2019 (23,058): registration of a pledge right (-31.95%), strike off of a pledge right (-34.55%) and changes and/or supplements to the registered data (-23.75%).

The section below provides information on the number of companies and sole traders that were established in Serbia in 2020 (Table 4 and Table 5), as well as the relevant comparisons between 2020 and 2019:

1. NEWLY ESTABLISHED COMPANIES IN 2020

Newly established companies, by legal form	2020				
	Q1	Q2	Q3	Q4	Total
Limited liability company	2,507	1,900	2,239	2,229	8,875
Cooperative	68	20	28	37	153
Branch of a foreign legal entity	18	14	33	36	101
General partnership	-	1	2	-	3
Limited partnership	1	-	-	-	1
Representative office of a foreign legal entity	13	5	16	6	40
Joint-stock company	1	-	2	1	4
Total	2,608	1,940	2,320	2,309	9,177

Table 4

The total number of newly established companies increased in 2020 compared to 2019 (9,160), although quite insignificantly (0.18%). Thus, the COVID-19 epidemic in Serbia had no adverse effects on the number of company incorporations in 2020.

2. NEWLY ESTABLISHED SOLE TRADERS IN 2020

	2020				
Newly established sole traders	Q1	Q2	Q3	Q4	Total
Total	6,288	7,128	8,039	7,923	29,378

Table 5

The number of newly established sole traders in 2020 decreased by 20.96% compared to 2019, when 37,168 new sole traders were registered. Therefore, the COVID-19 epidemic in Serbia had an adverse effect of on the incorporation of sole traders in 2020.

The following section contains information on the number of companies and sole traders that were struck off the SBRA's Register of Business Entities in 2020 (Table 6 and Table 7):

3. COMPANIES STRUCK-OFF THE REGISTER IN 2020

	2020				
Companies struck off the Business Entities Register, by legal form	Q1	Q2	Q3	Q4	Total
Limited liability company	1,171	505	4,742	1,250	7,668
Cooperative	19	9	11	13	52
General partnership	10	5	15	15	45
Open joint-stock company	10	4	19	10	43
Representative office of a foreign legal entity	8	3	15	8	34
Business association	-	1	3	26	30
Public enterprise	2	-	7	14	23
Joint-stock company	4	8	5	10	27
Branch of a foreign legal entity	6	3	3	8	20
Socially-owned enterprise	10	-	4	6	20
Closed joint-stock company	3	1	1	3	8
Limited partnership	1	1	2	2	6
Other	2	1	-	1	4
Total	1,246	541	4,827	1,366	7,980

Table 6

The number of struck off companies in 2020 was 70.86% lower than in 2019, when 27,383 companies had been removed from the Business Entities Register. This demonstrates that the COVID-19 epidemic in Serbia did not have a negative impact on company dissolutions in 2020.

4. SOLE TRADERS STRUCK-OFF THE REGISTER IN 2020

	2020				
Sole traders struck off the Business Entities Register	Q1	Q2	Q3	Q4	Total
Total	6,694	3,345	6,300	5,758	22,097

Table 7

The number of sole traders struck off the Business Entities Register in 2020 (22,097) decreased by 6.49% compared to 2019, when 23,630 sole traders had been removed from the Register. Again, this leads to a conclusion that COVID-19 epidemic in Serbia did not have an adverse effect on the dissolution of sole proprietorships in Serbia in 2020.

5. TOTAL NUMBER OF REGISTERED BUSINESS ENTITIES AS AT 31 DECEMBER 2020

Legal forms of the active business entities registered with the SBRA's Business Entities Register as at 31 December 2020 are presented in Table 8:

Active business entities, by legal form	Total (as at 31 December 2020)
I. Companies:	
Limited liability company	114,371
Cooperative	2,775
Representative office of a foreign legal entity	1,296
General partnership	873
Joint-stock company	840
Branch of a foreign legal entity	691
Public enterprise	538
Limited partnership	151
Open joint-stock company	58
Cooperative union	30
Socially-owned enterprise	23
Closed joint-stock company	21
Other	20
Business association	1
(I.) Total	121,688
II. Sole traders	278,984
(I. + II.) Total	400,672

Table 8

Table 8 does not include 9,217 companies undergoing bankruptcy proceedings or in liquidation (1,714: undergoing bankruptcy proceedings; 7,456: in liquidation; 47: in forced liquidation) as at 31 December 2020.

Accordingly, the total number of all companies (i.e. active + in bankruptcy + in liquidation) that were registered in the Register as at 31 December 2020 was 130,905.

The comparison of the total number of active companies registered with the SBRA's Business Entities Register as at 31 December 2020 (121,688) with the total number of active companies registered as at 31 December 2019 (129,724) shows a decrease of 6.19%.

The section below provides a comparison of the number of pledge rights registered with the SBRA's Register of Pledges on Movable Property and Rights in 2020 and 2019, as well as the total amount of the receivables secured by the pledge rights in 2020. In addition to this, it provides the information on the total number of active pledge rights registered in the Pledge

Register and the total amount of the receivables secured by the pledge rights, as at 31 December 2020:

6. REGISTERED PLEDGE RIGHTS AND THE TOTAL AMOUNT OF SECURED RECEIVABLES

During 2020 10,106 pledge rights were registered with the Pledge Register, which was 24.83% less than in 2019 (13,444). The receivables secured by the pledge rights registered during 2020 amounted to €9,656,322,152.52, which was about €2 billion less than in 2019.

The relatively small number of registered annotations in 2020 leads to the conclusion that debtors were duly settling their obligations and that enforcement of obligations secured by the registered pledge rights was pretty rare in practice.

As at 31 December 2020 there were 184,126 active pledge rights registered in the SBRA's Register of Pledges on Movable Property and Rights, i.e. 3.58% more than in 2019 (177,757). The total value of the receivables secured by the registered active pledge rights amounted to €84,891,599,620.90.

The next section provides information on the reorganization measures taken by the SBRA to comply with the Decree on Organization of Work during the State of Emergency (Official Gazette of the RS, No. 31/20), which was enacted by the Serbian government on March 16:

As has been noted earlier, the said Decree imposed an obligation upon employers to organize work from home or work from a distance during the state of emergency, wherever it was possible.

It stipulated that employees could be directed to work remotely based on the employer's decision (not annex to the employment agreement), specifying the working hours and the method of supervision. Employers were also required to keep records of employees who were referred to work remotely.

The Government of Serbia also adopted a Conclusion (Official Gazette of the RS, No. 52/20), according to which employers were encouraged to enable their employees to use the remaining days of their paid 2019 annual leaves during the state of emergency (those employees who were working during the state of emergency, either on-site or remotely, were allowed to use the remaining days of their paid 2019 annual leave by December 31, 2020).

The staffing reorganizational measures of the SBRA are presented in Table 9:

	% of total employees (418)		Remuneration
Remote work	25%	105	100%
On-site work	29%	122	
Paid leave (of up to 45 working days)	21%	88	65%
Paid leave (the remaining days of the 2019 annual leave)	19%	78	100%

[Note: 6% (25/418) of the SBRA personnel was on sick leave during the state of emergency]

Table 9

Although the SBRA did not have an elaborated 'Working from Home Policy' in place before the COVID-19 pandemic took hold, it managed to effectively overcome the challenges related to remote working, while respecting all decision-making statutory deadlines and fully applying all health protective measures.

Remote work was put on hold immediately after the termination of the state of emergency.

Impact of COVID-19 on development projects and strategy

Despite the operational challenges it faced due to the outbreak of the COVID-19 epidemic in Serbia in 2020, and especially during the state of emergency, the SBRA succeeded to complete the projects it launched in 2019 or earlier, such as:

- *Establishment of the Register of Health Facilities and Integrated Records of Health Operators, which began operating on 12 October 2020;*
- *Establishment of the Register of Accounting Services Providers, which started operating on 1 January 2021;*
- *Introduction of the system for e-filing of applications for registration of financial leasing contracts with the SBRA's Financial Leasing Register, which became operational on 1 January 2021;*
- *Improvement of the existing software application of the SBRA's Pledge Register to enable registration of two additional security instruments (pledge contract with the transfer of a pledged asset into the possession of the creditor; contract of sale of movable assets with the retention of ownership to secure the seller's claim until the price is fully paid), which became operational on 1 January, 2021;*
- *Launch of the Pledge Register's Electronic Noticeboard (July 2020), which provides a single access point to all notifications on initiated settlement procedures and out-of-court sales of pledged assets.*

The project aimed at further enhancing the issuance of electronic construction permits, which required integration of the SBRA's Central Register of Integrated Procedures with other state institutions, was rescheduled due to the operational difficulties associated with the Covid-19 pandemic. The same applies to the commencement of commercial operation of the SEE Regional Business Registries Portal, which was shifted to 2021.

In 2020 the SBRA initiated several new projects:

- *Transition of the Financial Leasing Register to a fully digital mode of operation;*
- *Integration of the Register of Business Entities with the Address Register maintained by the Republic Geodetic Authority;*
- *Development of a business and technical framework for the data delivery via a new portal of the Agency, which will be launched in 2022.*

The electronic services enabled by the SBRA long before the outbreak of the pandemic (eRegistration of limited liability companies; eRegistration of sole traders; eFiling of annual financial statements; eFiling of information on beneficial owners; eFiling of applications for the issuance of eConstruction permits) proved to be extremely valuable in terms of better coping with the challenges associated with COVID-19.

COVID-19 and companies

To counter the impact of COVID-19 on the economy, the Government of Serbia adopted a set of regulations in 2020, which were aimed at relaxing the statutory and regulatory compliances for doing business, particularly during the state of emergency.

The following list includes only regulations that were relevant for the business registration procedure carried out by the registers kept by the Serbian Business Registers Agency:

- Decree on the Application of Time Limits in Administrative Proceedings during the State of Emergency (Official Gazette of the RS, Nos. 41/20 and 43/20) - The Decree stipulated that the parties would not bear the adverse consequences of the failure to comply with the statutory time limits during the state of emergency. Accordingly, the statutory time limits prescribed by the Law on the Procedure of Registration with the Serbian Business Registers Agency (Official Gazette of the RS, Nos. 99/11, 83/14 and 31/19) were interrupted during the state of emergency and started running a new from the first day after the termination of the state of emergency.
- Decree on shifting the time limits for holding a regular session of the general meeting of a company and submitting annual and consolidated financial statements of companies, cooperatives, other legal entities and sole traders, as well as the time limits for submission of applications for income tax and self-employment income taxes, the validity of licensed auditors' licenses and licenses for assessing the value of a real estate that expire during the state of emergency caused by the SARS-CoV-2 COVID-19 disease (Official Gazette of the RS, No. 57): the time limit for holding a regular session of the general meeting of a company was shifted to 90 days from the date of termination of the state of emergency (otherwise, it should have been held once a year but not later than within six months from the end of a business year); the time limit for submitting the 2019 regular annual financial statements to the SBRA's Financial Statements Register was shifted to 90 days from the termination of the state of emergency (otherwise, they should have been submitted by 30 June 2020); the time limit for submitting the 2019 regular annual consolidated statements to the SBRA's Financial Statements Register was shifted to 120 days from the termination of the state of emergency (otherwise, they should have been submitted by 31 July 2020); the time limit for submitting the extraordinary consolidated statements to the SBRA's Financial Statements Register (provided that it expired during the state of emergency) was shifted to 30 days from the termination of the state of emergency (otherwise, they should have been submitted within 60 days from the date on which such statements had been drawn up).
- Decision on Validity of Personal Documents of Citizens of the Republic of Serbia during the State of Emergency (Official Gazette of the RS, No. 57/20): The Decision stipulated that all identity documents of the Serbian citizens (ID cards, passports, driver's licenses, vehicle registration permits) would be deemed valid during the state of emergency, even if they had expired.
- Decision issued by the Chamber of Notaries Public stipulated that notary public offices would continue working during the state of emergency (nevertheless, verification of signatures, manuscripts and transcripts was suspended, except in particularly urgent and justified cases).

As has already been noted, the SBRA was required to suspend physical contacts with its customers from 19 March to 11 May according to the Government's Conclusion that imposed closure of service windows of all public institutions (except for the Tax Administration, the Customs Administration, and the Treasury Administration) during the state of emergency.

While all SBRA electronic services were provided uninterrupted during that period, paper format applications had to be mailed to the Agency through postal operators. Throughout that period, the SBRA was accepting not only the prescribed registration application forms but also those written in free form, provided that the subject matter of registration could be clearly established from the content of each such submission mailed to the Agency.

To minimize the impact of the closure of its service windows, the Agency introduced additional contact email addresses and phone numbers of its Info Centre and Service Desk. It also kept providing its customers with legal aid, via email.

The customers were regularly informed about all activities carried out by the SBRA registers. This information was disseminated not only via the Agency's Info Centre and website but also through the SBRA's Facebook page, electronic and paper media.

The “New Normal”

Further acceleration of digitalization of the registration procedure and service delivery will be the primary focus of the Serbian Business Registers Agency's medium and long term response to the SARS-CoV-2-induced crisis.

In this respect, the SBRA has already initiated the Certification to ISO/IEC 27001 — Information Security Management Project, to additionally secure its information assets.

The crisis has also accentuated the importance of revisiting the SBRA's risk management strategy, to ensure business continuity and uninterrupted delivery of services.

To coordinate the crises response efforts, the SBRA will establish a core crisis team to review and improve the existing business continuity plans, as well as the contingency plans for all critical roles/positions in the Agency.

As has been so far, protecting the health and safety of our personnel will be at the forefront of all our planning and will remain our paramount goal.